



**USAID**  
FROM THE AMERICAN PEOPLE

# CASE STUDY: ENDEAVOR ENTREPRENEURSHIP MODEL

Asia and the Middle East Economic Growth Best Practices (AMEG) Project  
Chemonics International, Inc.  
Task Order No. AID-OAA—12-00008

April 2015

This publication was produced for review by the United States Agency for International Development by Chemonics International Inc.

# CASE STUDY: ENDEAVOR ENTREPRENEURSHIP MODEL

Task Order No. AID-OAA-12-00008

**Contractor Implemented by:**

Chemonics International Inc.

The author's views in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

PAGE LEFT INTENTIONALLY BLANK

# CONTENTS

Acronyms.....	i
Executive Summary .....	1
Introduction	
A.    Purpose of Case Study .....	4
B.    About AMEG.....	4
C.    Organization of Report .....	5
D.    Assessment Team and Acknowledgements .....	5
Case Study	
A.    Context.....	6
A1.    Macroeconomic Context.....	6
A2.    Characteristics of the Private Sector and Business Operating Environment in Jordan .....	7
B.    Objectives, Beneficiaries, and Stakeholders .....	8
B1.    Objectives .....	8
B2.    Beneficiaries and Stakeholders .....	9
C.    Approach.....	10
C1.    Endeavor Model.....	10
C2.    Project Management .....	14
C3.    Technical Implementation .....	15
D.    Impact .....	16
D1.    Impact on Jordanian Market .....	16
D2.    Sustainability.....	18
E.    Key Findings and Lessons Learned .....	19
F.    Prerequisites for Replication.....	21
References .....	24

PAGE LEFT INTENTIONALLY BLANK

# ACRONYMS

AMEG	Asia and Middle East Economic Growth
DOS	Department of Statistics
EEs	Endeavor Entrepreneurs
GDP	Gross domestic product
ICT	Information and communications technology
MENA	Middle East and North Africa
MOPIC	Ministry of Planning and International Cooperation
NGO	Non governmental organization
SMEs	Small and Medium Enterprises
USAID	U.S. Agency for International Development
YEA	Young Entrepreneurs' Association

PAGE LEFT INTENTIONALLY BLANK

# EXECUTIVE SUMMARY

Entrepreneurship is considered a critical element for job creation and economic growth throughout the world, especially in developing economies. There are many types of entrepreneurs, such as those who start a business out of necessity to maintain a livelihood, or those who formalize a business and seize on an opportunity to grow into a large enterprise. The United States Agency for International Development (USAID), other international donors, and non-governmental organizations (NGOs) have designed and implemented programs to spur entrepreneurship in the Middle East and North Africa (MENA) region and elsewhere, particularly where unemployment is high. While these programs garner lots of attention, many entrepreneurship programs either take years to generate a significant number of new jobs or struggle to show a clear link between program activities and improved employment outcomes.

This case study features Endeavor, a non-profit organization based in New York with offices in 21 countries, including six in the MENA region, whose objective is to create jobs and wealth by identifying and supporting businesses with high growth potential. It targets small and medium enterprises (SMEs), regardless of their sector, that can scale up into large companies with the right selection of resources and that can support a self-sustainable entrepreneurial ecosystem at the macroeconomic level. Endeavor Entrepreneurs (EEs), as they are named, are chosen through a rigorous and competitive selection process that takes place at both the local and international levels. In Jordan, Endeavor currently supports 24 entrepreneurs with involvement from 60 mentors and 13 Board members. To be considered for Endeavor assistance, prospective EEs must have an established company that is in the mid to mature stages of the entrepreneurship life cycle that has shown significant growth potential, as demonstrated by 20 percent annual growth over a multi-year time horizon.

Endeavor Jordan was selected as a case study for the Middle East because, since its inception in 2009, the firms it supports have demonstrated impressive increases in sales and jobs. EEs in Jordan have increased employment at an average annual rate of 14 percent, an increase of more than 2,100 jobs since 2009. To realize these impressive results, Endeavor uses an innovative model, which includes the following key features:

- *Strategic selection process.* The success of entrepreneurship programs depends, in part, on the selection of firms that (i) have a high probability of succeeding in the market and (ii) would realize untapped potential with project assistance. To do this, Endeavor selects firms in the mid- or mature-stages in the entrepreneurship life cycle, an important distinction from other entrepreneurship programs operating in Jordan and elsewhere, which tend to support entrepreneurs that have interesting ideas, but have not demonstrated market viability. In addition, EEs must go through a rigorous selection process that further reduces the probability that Endeavor will 'select losers'.
- *Flexible, sector-agnostic approach.* Many entrepreneurship programs limit assistance to specific sectors — often the information and communications technology (ICT) sector. Endeavor is sector-agnostic, which reportedly has made a great difference in terms of identifying potential entrepreneurs and companies, one of the greatest challenges from an operational point of view. During the early years in Jordan, for



example, Endeavor focused on the ICT sector. However, once it realized that food and beverage companies typically employ on average 200 or more people, versus about 20 people for ICT companies, it widened its scope. Likewise, Endeavor Jordan is starting to identify manufacturing companies as a type of company with potential significant revenue and job creation. In addition, Endeavor Jordan is now focusing on family-owned businesses — which offer significant growth potential in Jordan and across the region — that are moving to a second generation of management.

- *Customized assistance from local and global network.* Once selected, EEs are provided a customized package of support with oversight from an Endeavor advisory board. While the advisory board provides continuous mentorship and support, EEs enjoy an array of support options. For example, EEs interviewed for this case study used Endeavor for mentorship with a Series A round of venture capital investment, to access a pro-bono consultant for five weeks through a partnership between Endeavor and Ernst & Young, and to receive assistance using niche expertise accessed through Endeavor’s global network. The value of business resources offered through Endeavor’s global market is particularly helpful for EEs located in emerging markets who often feel isolated from key sources that could help to solve challenges, and also from those EEs having a limited set of tools to reach potential customers and partners.
- *Independence and financial sustainability.* Endeavor’s model promotes local ownership by working with independent country affiliates. To establish a country office, local business leaders must be willing to invest time and money to establish a local Endeavor affiliate — promoting ownership and financial sustainability from the start. Many Board members and mentors are venture capital/private equity investors, who benefit from Endeavor in many ways: they expand their local networks, they are seen as leaders in their respective fields, and they identify investment opportunities. This “win-win” approach is key Endeavor Jordan’s success and sustainability.

*Conclusions.* Endeavor Jordan is an innovative and successful model for supporting entrepreneurship with important lessons for USAID and others in the field. However, it has its drawbacks. Because Endeavor only works with scale-up companies, in reality it does not ‘get its hands dirty’ with the slow and painful aspects of the human side of entrepreneurship, as one mentor noted. For critics of this model, the Endeavor approach does not focus on helping to create an entrepreneurship mindset from scratch. One can also question whether EEs would succeed without the help of Endeavor; Endeavor selects firms that are expected to grow regardless of Endeavor support.

To create jobs over a relatively short-term time horizon, Endeavor stands apart from other entrepreneurship programs. By being so selective, Endeavor assistance is directed where it is most likely to generate results — key to the program’s impressive employment impact. EEs featured throughout this case study and EEs willingness to pay for Endeavor support indicates that they highly value the program and that they would not be growing as rapidly without Endeavor support.

To date, Endeavor Jordan has not worked directly with USAID/Jordan with the exception of USAID sponsorship for an annual entrepreneur matchmaking event. Nonetheless, USAID could support Endeavor and learn from Endeavor’s successes when considering new activities to support job creation in the Middle East. This case study outlines opportunities for USAID to support Endeavor and apply lessons to its other programs.

ENDEAVOR PURPOSE, LOCATION	DESIGN FACTORS	SUCCESS FACTORS		CRITICAL SUCCESS FACTORS
		QUANTITATIVE	QUALITATIVE	
<p><b>Case Study Country:</b> Jordan</p> <p><b>Objective:</b> Catalyze long-term economic growth through job creation and revenues by selecting, mentoring, and accelerating the best high-impact entrepreneurs around the world.</p> <p><b>Location:</b> As of 2015, operating in 21 countries with affiliate or support offices: Argentina, Brazil, Chile, Colombia, Egypt, Greece, Indonesia, Jordan, Lebanon, Malaysia, Mexico, Morocco, Peru, Philippines, Saudi Arabia, South Africa, Spain, Turkey, UAE, Uruguay, United States</p> <p><b>Donor/Funding:</b> Primarily funded through private sector donations and contributions made by EEs. Limited financial support from foundations and donors such as Omidya Network, IDB, IFC, among others.</p> <p><b>Implementing Partner:</b> Self</p> <p><b>Duration:</b> Global organization founded in 1997-ongoing; Endeavor Jordan established in 2009</p>	<p><input type="checkbox"/> Sector led</p> <p><input type="checkbox"/> Technical/vocational training</p> <p><input type="checkbox"/> Job placement/matching</p> <p><input checked="" type="checkbox"/> Entrepreneurship</p> <p><input type="checkbox"/> Livelihoods</p> <p><input type="checkbox"/> Other</p>	<p>Since establishing Jordan in 2009:</p> <p>a) Number of jobs created: 2,100</p> <p>b) Average annual job increase: 14%</p> <p>c) New export markets: 27</p> <p>d) Revenues generated by EEs: US\$140m+</p> <p>e) Average annual revenue growth of EE: 41%</p> <p>f) Cost/job based on annual operating budget: \$1,105</p> <p>g) Cost/job based on operating budget + mentoring costs: \$2,154</p> <p>h) Cost/job based on operating budget + mentoring costs + Board contributions: \$2,817</p>	<p>1) <i>Increased competition among all entrepreneurs in Jordan.</i> The selection process is highly selective and widely respected, creating an environment where business owners strive for Endeavor support.</p> <p>2) <i>Provides strategic consulting services to lots of firms.</i> Although few firms are selected, the selection process provides all firms with important strategic feedback to help firms make changes needed to access new markets and catalyze sales growth.</p> <p>3) <i>Encourages and supports a culture of entrepreneurship.</i> The success of Endeavor Entrepreneurs is used to show the potential and benefits of entrepreneurship.</p> <p>4) <i>Elevates the importance of policies that support entrepreneurship.</i> Endeavor business leaders lobby the Government of Jordan to improve business environment and support entrepreneurship programs.</p>	<ul style="list-style-type: none"> <li>Model is based on link between revenue growth and job creation and includes six phases: Launch, Select, Support, Multiply, Give-Back, Sustainability.</li> <li>Only works with companies that want to expand and have shown significant growth potential ('scale-up' companies, not start up)</li> <li>Global network of mentors</li> <li>Flexibility allows firms in many sectors to participate</li> <li>Local network expansion creates multiplier effect</li> <li>Financially self-sustaining</li> </ul>

# INTRODUCTION

## A. PURPOSE OF CASE STUDY

The Middle East and North Africa (MENA) region is at a critical juncture. The Arab Spring, sparked in 2011 by frustration and impatience with limited economic opportunities, has yet to deliver the jobs and improved livelihoods so many had hoped for. Less than one-half of MENA's working-age population is employed or in school. As a result of labor market inefficiencies, the MENA region has the highest youth unemployment rate in the world (28 percent), and the share of women in the workforce is less than any other region. Demographic trends compound labor market challenges: since 2003, the region's labor force has grown at a rate faster than any other region. MENA's developing countries experienced 1.2 percent gross domestic product (GDP) growth in 2014, which is insufficient to significantly reduce unemployment rates or inequality (World Bank, 2015).

Addressing the jobs crisis in MENA will require inclusive private-sector growth, driven by more strategic, efficient, and competitive firms. Yet many MENA businesses lack formal business training and plans that identify and address the binding constraints preventing them from increasing sales, jobs, and solutions. Further, those that seek growth capital are often unable to receive loans due to prohibitively demanding collateral requirements. The United States Agency for International Development (USAID), and its Middle East Bureau in particular, is interested in exploring five approaches and developing successful case studies exemplifying solutions to sustainable job creation in high-unemployment countries. Those five approaches include: (i) entrepreneurship, (ii) enterprise and value chain/cluster competitiveness, (iii) demand-driven vocational training, (iv) job-matching support (career development centers and job fairs), and (v) livelihoods development. Using these case studies, the ME Bureau seeks practical tools to integrate job creation and job placement best practices and lessons learned into economic growth programming in the ME region.

As such, this case study focuses on enhancing jobs through entrepreneurship. Dictionary definitions for the term 'entrepreneurship' describe the general act of forming a business or organization or finding new ways to create value. For purposes of this study, our interpretation is more narrowly defined to differentiate entrepreneurship from closely related approaches, such as sustainable livelihoods. Our working definition for entrepreneurship is: approaches that help either (1) individuals who wish to establish a formal enterprise or (2) early-stage high-potential enterprises to increase revenue and jobs. This definition does not include microenterprises or self-employment that exhibit little or no employment growth potential (these firms are covered under the sustainable livelihoods approach). Our research and case study selection focus on direct entrepreneurship assistance — such as training, coaching, and mentoring — and support for entrepreneurship infrastructure, such as capacity building for incubators and

accelerators. Our research does not focus on indirect contributions to entrepreneurship, such as microfinance, policy, and the enabling environment.

The case study team chose a unique approach to fostering entrepreneurship offered by Endeavor, a non-profit organization that significantly supports the entrepreneurial ecosystem in developed and developing economies around the world, including Jordan. The Endeavor approach demonstrates marked job creation and enterprise growth through sustainable job creation from new or recently established enterprises.

## **B. ABOUT AMEG**

The AMEG project is designed to support USAID missions in developing effective and efficient economic growth programs that address technical and strategic challenges that are specific to countries in which USAID operates in Asia and the Middle East. Through AMEG, USAID is able to conduct rapid and strategic economic growth assessments, pilot innovative approaches in economic growth programming, and consolidate and disseminate best practices in economic growth projects learned from USAID implementation throughout the world.

## **C. ORGANIZATION OF REPORT**

After an overview of Endeavor's overall design in general and operating context in Jordan, the report provides details on Endeavor's objectives, beneficiaries and stakeholders, model used to promote entrepreneurship, Jordan management team, and technical implementation. The report then provides information on Endeavor's impact and results in Jordan and around the world, and concludes with key findings and lessons learned, and prerequisites for replication in countries other than Jordan.

## **D. ASSESSMENT TEAM AND ACKNOWLEDGEMENTS**

The field assessment was conducted between December 2014 and February 2015 by AMEG consultant Greta Boye and AMEG deputy chief of party Isaiah Oliver. The team would like to thank the Endeavor project team for its support and cooperation in conducting the assessment, particularly Jordan's Managing Director Rasha Manna, as well as Bill Baldrige of USAID's Middle East Bureau Technical Services Unit for his guidance, support, and input into the case study.

# CASE STUDY

Endeavor, and in particular its country office in Jordan, was chosen as a case study for the entrepreneurship approach to job creation in the Middle East for several reasons: (i) its unique model with the aim of achieving a combination of increases in revenue and jobs for certain types of companies and their entrepreneurs; (ii) its long-term and direct focus on entrepreneurship assistance through mentoring, networking, and in some cases providing investment funding; and (iii) its explicit objective to build an entrepreneurship ecosystem throughout the world.<sup>1</sup> Due to inclement weather conditions while consultants were in Jordan, all interviews conducted as part of this case study were completed remotely. Interviews took place between December 2014 and February 2015 and included managers from the Endeavor Jordan and New York offices, as well as key players in the operations of Endeavor Jordan – mentors, members of its Board of Directors, and entrepreneurs, all of whom are based in Amman, Jordan.

## A. CONTEXT

### A1. MACROECONOMIC CONTEXT

Jordan is considered an upper-middle income country with an official population of 6.5 million in 2013 (and an unofficial population of 8 million in 2014), about 80 percent of whom live in urban areas. Per capital gross national income in 2013 was reported at US\$4,720. The country's main natural resources are phosphate and potash. Agricultural land is limited and water is scarce. In recent years Jordan's overall economic performance continued on a steady growth path despite the economic and political challenges resulting from turbulence in neighboring countries. However, the country's average annual growth rate of its gross domestic product (GDP) of 2.6 percent during 2010-2013 paled in comparison with 7.2 percent and 5.5 percent in 2008 and 2009, respectively. In recent years services accounted for around 70 percent of GDP. Finance, insurance, real estate, and business services, the dominant service sub-sector, contributed nearly 30 percent to GDP in 2013; in contrast, manufacturing accounted for 17 percent in that same year (DOS, 2013).

The unemployment jump in 2013 to 14 percent (and also the corresponding spike in population) was mainly attributed to the high number of Syrian refugees who are competing with Jordanians in the labor market, especially in sectors like handicrafts, construction, and others that rely primarily on unskilled labor. Other realities of the labor market include the high number of economically inactive women (21 percent of total female labor force in 2012), and especially young women aged between 15 and 24 years

---

<sup>1</sup> Endeavor defines the term entrepreneurship ecosystem as 'the way individuals, companies, organizations, and governments interact to influence the development of entrepreneurs and their firms in a single metropolitan area or region.' This definition is used in Endeavor's model, which in turn is based on the following categories of an ecosystem as understood by the Organization for Economic Cooperation and Development: (i) culture, (ii) entrepreneurship support, (iii) financial capital, (iv) human capital, (v) laws and regulations, and (vi) market conditions (Endeavor, 2013).

(51 percent of female youth labor force in 2012) (World Bank, World Development Indicators data base). According to the most recent National Employment Strategy of 2011-2020 (MOPIC 2010), differential hiring patterns by gender exist between the public and private sectors: women make up 45 percent of public sector employment compared with 13 percent in the private sector.

On the positive side, other macroeconomic indicators show an impressive improvement in Jordan's foreign reserves that grew by 81 percent between 2012 and 2013, thereby pulling the country out of a situation whereby foreign reserves were heading below a critical level. Overall foreign trade statistics show no significant swings in the last three years for which data are available, although imports continue to outpace exports significantly.

## **A2. CHARACTERISTICS OF THE PRIVATE SECTOR AND THE BUSINESS OPERATING ENVIRONMENT IN JORDAN**

Jordan's most recent economic policy document, "Blueprint 2025", reported that large enterprises (those having more than 100 employees) represent only 0.4 percent of all establishments yet dominate the industries in which they operate (MOPIC, 2014). At the other end of the spectrum, small or micro businesses (those having between one and five employees) control the economy. In fact, they employ 70 percent of the entire Jordanian workforce yet contribute a much lower proportion of economic output than larger enterprises.

Policy goals of the Blueprint aim to improve financial stability, enhance the business and investment environment, encourage innovation in selected high-value sectors, strengthen small and medium size enterprises (SMEs), improve labor market policies, and decentralize government (MOPIC, 2014). While well intended, the lack-luster objective of decreasing the unemployment rate by 3 percent by 2025 likely will have no impact on the structure of the private sector in Jordan. Nonetheless, non-profit groups like the Young Entrepreneurs' Association (YEA) are moving forward with the implementation of their 2011 SME Agenda, which is reflected in the country's National SME Strategy. Likewise, the National Entrepreneurship Coalition was recently established to improve the business environment for entrepreneurs and SMEs (Al-Qasem, 2013 and Al-Qasem, undated).

### **Box 1. Number and types of firms required by 2020 to meet Jordan's employment needs**

New Micro-enterprises	or	New SMEs	or	Scale-Ups
262,545		14,814		1,483

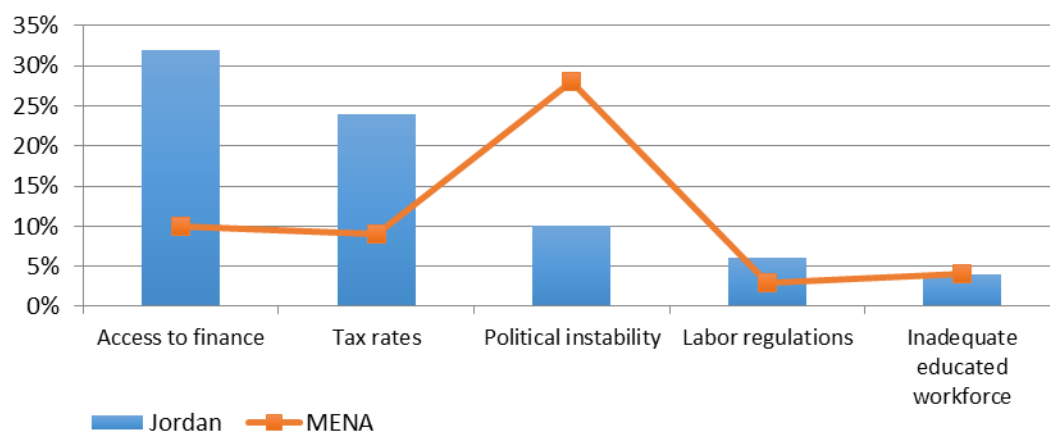
Source: <http://endeavor.org/insight/jobs>

Job creation forecasts by the International Labor Organization, as reported by Endeavor (2015), indicate that Jordan's labor force is expected to grow by over 337,000 people between 2014 and 2020, due primarily to young adults entering the job market. Endeavor plans to respond to that need for job creation by supporting scale-up companies, which the World Bank recently cited as creating 53 percent of all new jobs in Jordan during the last three years despite making up only nine percent of all Jordanian companies

(World Bank, 2013).<sup>2</sup> Box 1 shows the number of new microenterprises, SMEs, and scale-up companies that would be required to generate that number of jobs (*viz.*, 337,000) by 2020, according to Endeavor’s online job creation calculator.

In recent years enterprise surveys and international benchmarks developed by the World Bank and other international organizations that assess a country’s abilities to compete on a worldwide basis have become a popular means to measure progress in economic reform. Figure 1 shows the top five problems as cited by Jordanian firms compared with those in the Middle East and North Africa (MENA) region in the World Bank’s latest enterprise survey (World Bank, 2013). While important differences exist between Jordan and the region, especially in the top three challenges, access to finance was ranked as the most pressing issue for those Jordanian firms that participated in the survey. The YEA SME Agenda also identified that topic as having the highest priority. Additionally, the ‘getting credit’ topic recorded the worst score of all participating economies in the recent World Bank Doing Business Index for Jordan (see Table 1, next page), while scores of some other topics remained relatively stable. Scores of the overall World Economic Forum Competitiveness Index and its selected elements slightly improved during the last two years. However, the topic of ‘macroeconomic environment’ scored very low; in contrast, the topics of ‘business sophistication’ and ‘innovation’ scored well and improved for Jordan.

**Figure 1. Main obstacles to growth, as identified by firms**



Source: World Bank, 2013.

## B. OBJECTIVES, BENEFICIARIES, AND STAKEHOLDERS

### B1. OBJECTIVES

The objective of Endeavor across all countries is to create jobs and wealth by identifying and supporting businesses with high growth potential. It targets those SMEs that can scale up into large companies with the right selection of

#### Mission of Endeavor

To lead the high-impact entrepreneurship movement around the world.

<sup>2</sup> The World Bank defines scale-up companies as those having been in business for at least three years with an average annual employment growth of at least 20 percent during the previous three years. This definition is very similar to that of Endeavor (Endeavor, 2015).



resources. At the macro level of private sector development, Endeavor intends to create a self-sustainable ecosystem for entrepreneurs.

**Table 1. Jordan's rankings for popular international benchmarks**

World Bank: Doing Business Index <u>a/</u>					
Year	Overall	Getting Credit <u>b/</u>	Protecting Minority Investors <u>c/</u>	Trading Across Borders <u>d/</u>	Enforcing Contracts <u>e/</u>
2015	117	185	154	54	114
2014	116	185	143	60	114

a/ Ranks 189 countries on ease of doing business; 1 is easiest country and 189 is most difficult.

b/ Measures the scope, access, and quality of credit.

c/ Includes disclosure, director liability, powers of shareholders to challenge transactions, and investor protection.

d/ The costs and procedures involved in importing and exporting a standardized shipment of goods are detailed under this topic.

e/ Measures the ease of enforcing commercial contracts in terms of time, cost, and number of procedures involved.

Source: [www.doingbusiness.org](http://www.doingbusiness.org).

World Economic Forum: Competitiveness Index <u>f/</u>					
Year	Overall	Macroeconomic Environment <u>g/</u>	Labor Market Efficiency <u>h/</u>	Business Sophistication <u>i/</u>	Innovation
2014-2015	64	131	94	42	41
2013-2014	68	138	101	47	53

f/ Ranks 144 countries on a scale of 1 to 144, where 1 indicates the country with the highest level of competitiveness and 144 indicates the country with the lowest level of competitiveness, defined as the set of institutions, policies, and factors that determine the level of productivity of a country.

g/ Considered part of basic requirements of competitiveness; these requirements make up 40% of overall index.

h/ This topic is part of 'efficiency enhancers' (other topics include higher education and training, goods market efficiency, financial market development, technological readiness, and market size; together, these elements constitute 50% of overall index).

i/ Part of 'innovation and sophisticated factors' that include business sophistication and innovation; these factors contribute 10% to overall index.

Source: [www3.weforum.org](http://www3.weforum.org).

## B2. BENEFICIARIES AND STAKEHOLDERS

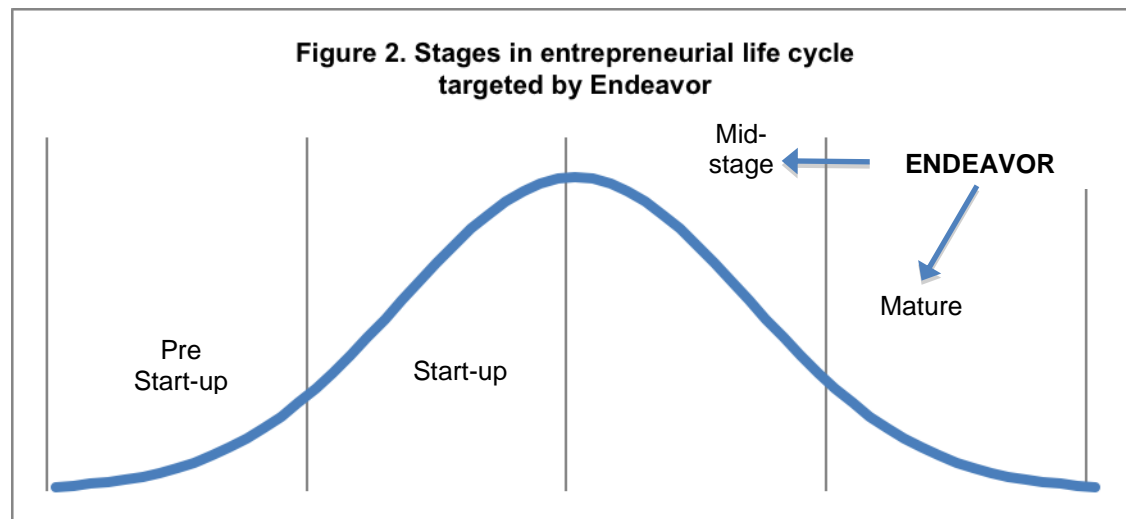
Endeavor focuses on high-growth companies with the potential to have high impact in terms of revenues and job creation that they refer to as 'scale-up' companies. It only considers certain types of companies: (i) those that are expected to generate at least a \$50 million change in revenue as a result of Endeavor's assistance; (ii) those that, before being selected for Endeavor assistance, have created jobs or increased revenues by an average of 20 percent or more a year; (iii) whose entrepreneurs exhibit leadership, skills, and the potential to be role models for others; and (iv) those that are at a point in their lifecycle when Endeavor can add the most value by helping to accelerate growth. Endeavor feels that this type of company lacks support throughout the entire entrepreneurship ecosystem around the world, not only in Jordan.<sup>3</sup>

On the continuum of the life of entrepreneurship, defined by four distinct phases according to the National Entrepreneurship Coalition of Jordan (Al-Qasem, undated),

<sup>3</sup> The size of company in terms of number of employees is not a selection criterion. To date, the number of employees of companies selected reportedly has ranged from 23 to 600.



Endeavor intervenes to help the ‘veteran’ entrepreneurs, viz., those who are in the mid to mature stages of entrepreneurship and who have already established success stories (Figure 2). This stage in the entrepreneurship life cycle that Endeavor targets is an important distinction from other entrepreneurship programs financed by both the private and public sectors in Jordan, such as the popular ‘bootcamp’ Oasis500, which often try to intervene before entrepreneurs have proven their potential for success, whether it be at the pre-start up phase or the start-up phase.



## C. APPROACH

### C1. ENDEAVOR MODEL

Endeavor uses a six-step circular model to promote job creation and wealth through entrepreneurship (Figure 3). In the last two years, it added a sixth step to include sustainability.

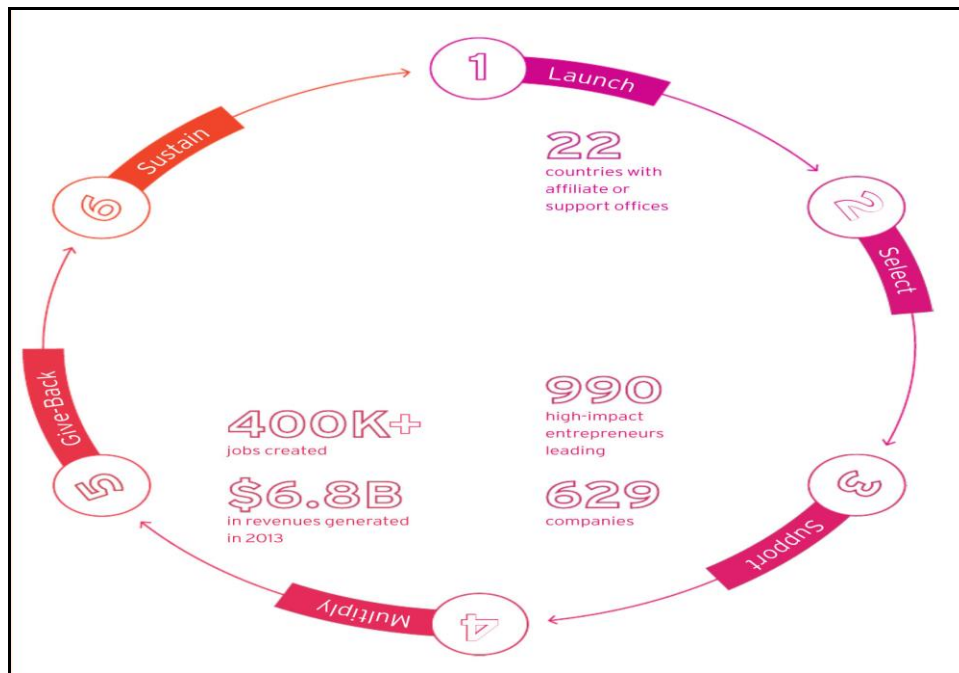
**Phase 1: Launch an office.** The launch phase relates to the establishment of an Endeavor network in a country market. Endeavor uses three criteria to choose a location: (i) ambitious entrepreneurs already running high-potential companies; (ii) business leaders committed to implementing the Endeavor model (i.e., champions who could be

#### Box 2. Many doubted the launch of Endeavor in Jordan

After careful consideration of whether Jordan would fit into the Endeavor model and as a direct result of the World Economic Forum regional Middle East meeting held in 2007, Endeavor launched its Amman, Jordan office in 2008. In comparison with other Endeavor country markets at that time, Jordan was smaller in terms of GDP, had higher than average unemployment yet boasted a population with relatively high levels of education. Moreover, Jordan had maintained an international reputation for being politically stable and moderate and entrepreneurship was beginning to be endorsed by the Royal Family through its establishment of the Queen Rania Center for Entrepreneurship and by U.S. President Obama with his promotion of the Summit on Middle East Entrepreneurship. Doubts centered on whether high-impact entrepreneur development would be accepted because the focus of entrepreneurial support had always been on micro and small enterprise development. Likewise, at that time, women made up only 4 percent of all entrepreneurs in Jordan and only 16 percent of its total workforce. Despite these doubts, Endeavor was determined to start a program that would enable many more entrepreneurs to emerge (Sahlman, 2010).

potential Board members and who are willing to invest financially or with in-kind goods or services); and (iii) a growing enthusiasm for entrepreneurship, as evidenced by the presence of business incubators and accelerators (Endeavor, 2014a). When it began in 1997 in Latin America, Endeavor focused exclusively on emerging markets and was organized by function rather than by region. It later reorganized by geographical market and first expanded operations to developing economies in the Middle East.

**Figure 3. Endeavor's six-step model with cumulative, end-2013 impacts**



Source: Endeavor, 2014a.

Nowadays, based on its success Endeavor believes that its model is relevant to a broad range of countries and cities around the world and has increased the pace of expansion. Also, a process is now in place to gauge the breadth of an entrepreneurship system in a country. At the same time, decisions to expand are made by leveraging local knowledge from offices in neighboring countries to gain insight into local context and a potential market. As of today, Endeavor operates in 21 countries, six of which are located in the MENA region, including Jordan that is featured in this case study (other regional countries include Egypt, Lebanon, Morocco, Saudi Arabia, and the United Arab Emirates). It is also scoping an additional 18 offices, four of which are located in the United States and five of which are located in Eastern Europe. At the time of report preparation, no new office was planned for the MENA region.

**Phase 2: Select entrepreneurs.** On average the process to select entrepreneurs lasts between six and 12 months, and is very structured and rigorous. The first step is to identify potential entrepreneurs who are driven by growth and constant innovation to expand their businesses. This step typically takes place at two levels of engagement: push and pull. Endeavor engages heavily with mentors, board members, its existing portfolio of companies, and others in its local network to create a pipeline of candidates. Those who refer candidates often have a vested interest in this step since they, too, are looking

to expand their own network and their own companies. Additionally, Endeavor receives recommendations through its website.

Box 3. Endeavor Selection Statistics		
Entrepreneurs	Jan 2013- Jun 2014	Jan 2012- Jun 2013
Initial pool of firms	3,258	7,500
Candidates selected	151	145
Companies represented	97	87
Jordanian entrepreneurs	2009-present	
	24	
Source: Endeavor (2013, 2014a).		

Once a short list is defined, members of the local Endeavor network — e.g., management consultants, private equity investors, and sector specialists — conduct two rounds of interviews with the entrepreneurs on that list. This process that challenges businesses' strategies and is highly valued by entrepreneurs. After these interviews, Endeavor selects a limited number of firms to move forward in the selection process to a local selection panel. In Jordan, that panel meets four times a year. This selection panel is an open platform, so that entrepreneurs who are not yet ready to present to the panel can attend without participating. The final step in the process is to choose the most promising entrepreneurs at the local level who will advance to the global level. This final list of entrepreneurs present before the international selection panel, which meets six times a year. The selection process is highly competitive, so the number of Endeavor Entrepreneurs (EEs) finally chosen is small compared with those who apply. During 2013-14, only five percent of the total were chosen, compared with two percent during the previous time period.

"I set my sights at becoming an Endeavor Entrepreneur from the very beginning of founding my company four years ago and consider it a milestone. Endeavor is really a very impressive organization. The process to become an Endeavor Entrepreneur is very lengthy and fruitful. I had to do lots of one-on-one interviews that gave me experience to talk to business people and challenged me about my personal and company weaknesses."

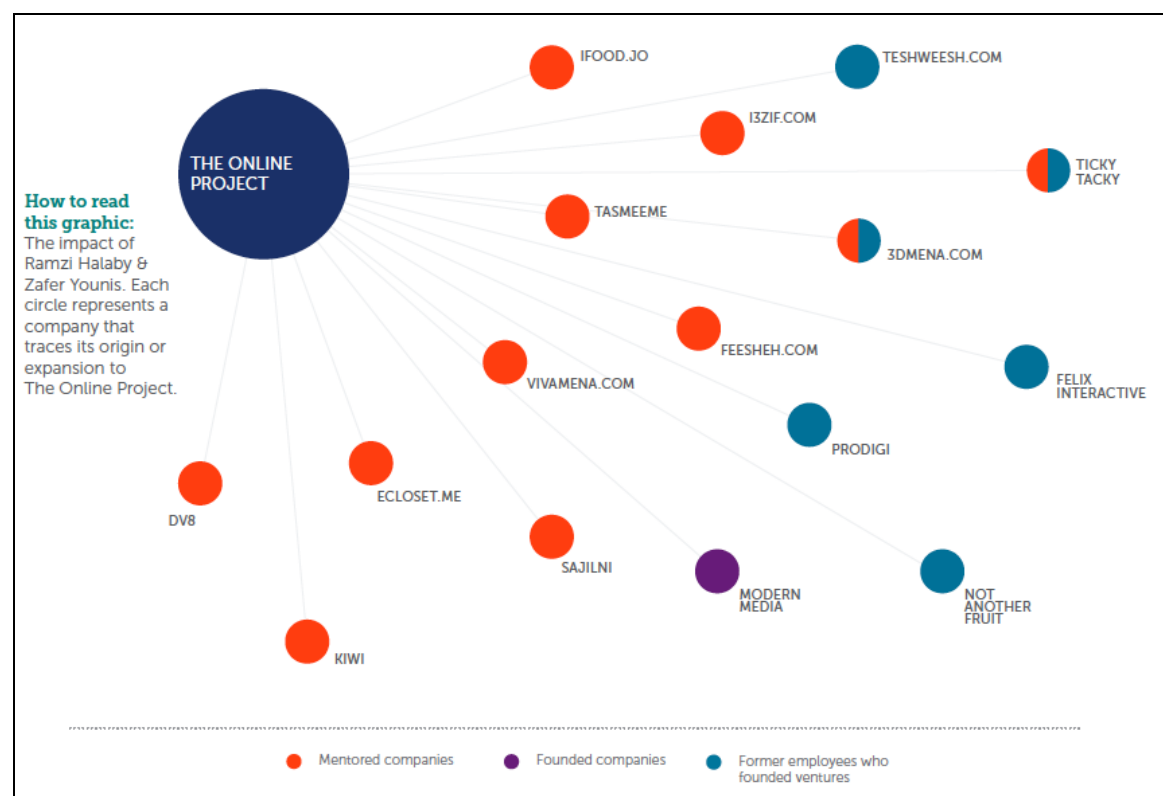
– Nasser Saleh, CEO & Founder,  
Madfoo3at.com and Endeavor  
Entrepreneur

**Phase 3. Support entrepreneurs.** During each step of this selection process, members of the interview panel identify the needs of an entrepreneur. After selection and during the first two months of joining Endeavor, a customized development plan is shaped for the EE and his or her organization in which Board members and mentors are involved in addition to the local management team. In Jordan and elsewhere, EEs have access to a network of more than 2,500 local and global business leaders who serve as mentors, advisors, connectors, investors, and role models. Part of this network includes leading U.S. business schools and corporate partnerships world-wide that offer advice on a pro bono basis (e.g., Bain & Company, JP Morgan, and Dell); it also includes events held locally and in other countries, such as week-long executive education programs in the United States at the Harvard Business School and the Stanford Graduate School of Business.

**Step 4. Multiply the impact.** This fourth phase involves expanding the Endeavor network at both the local and global levels to build an entrepreneurship ecosystem. Those people who are members of the Endeavor network, whether they are entrepreneurs, business leaders, mentors, or board members, work hard at making connections to promote entrepreneurship in their local communities and globally. And although the level of involvement varies by any one individual, Endeavor (2014a) notes that 90 percent of its EE either serve as angel investors, mentor other entrepreneurs, or promote high-impact entrepreneurship by giving speeches and appearing in media. In fact, in 2011, Endeavor Insight ([www.ecosystemsinsight.org](http://www.ecosystemsinsight.org)) was created to conduct research and measure its impact (for more information on Endeavor’s monitoring and evaluation system, including statistics on job creation, see Section D below).

Local Endeavor offices conduct their own research, too. Last year Endeavor Jordan prepared a specialized report on the multiplier effect of Amman’s high-growth information and communications technology (ICT) industry, which showcases four entrepreneurs who have had a ripple effect throughout Jordan (Endeavor, 2014b). As an example, Figure 4 illustrates the network of companies initiated by two EEs who started The Online Project, a social medial company based in Amman. Originally inspired by one of the founders of Endeavor Jordan and another EE, The Online Project owners joined the Endeavor Jordan network (after two attempts) and started to mentor employees and other inspiring entrepreneurs. Some employees, in turn, left the company to start their own businesses; other companies profited from the mentorship of The Online Project owners.

**Figure 4. Network of new companies as a result of The Online Project’s efforts**



Source: Endeavor, 2015.

**Step 5. Give back.** The fifth phase of ‘giving back’ relates to the financial sustainability of Endeavor. Endeavor Entrepreneurs pay an annual service fee to the their local office, and in the event of acquisition by another company, are asked to donate two percent of their personal equity to Endeavor. In 2014, Jordanian EEs donated \$4 million to the entire organization. In Jordan, every year each member of its Board of Directors pays \$15,000 (currently, the Board is composed of 13 members), which is reportedly less than other countries whose GDP is higher (e.g., Saudi Arabia). In recent years this contribution was set as high as \$35,000, but was lowered once Endeavor as an organization was comfortable with its expansion in Jordan. The current fee for a Jordanian EE is about \$1,000 a month (reportedly, some have a one-year grace period). Mentors do not pay a fee; most are invited to participate on a pro bono basis. Local office management uses all monies collected to conduct events sponsored by local organizations and for operating costs to maintain its local office. According to those interviewed as part of the case study in Jordan, most EE and Board members feel that the fees are worth the services offered. However, they emphasized, entrepreneurs need to play an active role and engage Endeavor and take advantage of the services it offers to receive good value for the amount paid.

**Step 6. Sustain.** The sixth and last phase of the Endeavor model also relates to financial sustainability. To reach the long-term goal of financial independence, Endeavor Catalyst was established as a non-profit co-investment vehicle that offers access to ‘smart’ capital and advises on capital-raising process. It also facilitates introductions between venture capitalists and EE looking to raise capital. The process to take advantage of this vehicle is reportedly arduous –only 3 percent of applicants are accepted. To date, no such investment has been made in a Jordanian company. Of the 16 companies supported through Endeavor Catalyst since 2012, 11 were based in Latin America (with Argentina being the dominant country), another four in Turkey, and one in the United States.

## **C2. PROJECT MANAGEMENT**

Even though it is a non-profit, Endeavor operates with a private sector mindset. Endeavor Jordan, like Endeavor offices in other countries, is an independent affiliate of its New York headquarters, and is not considered a subsidiary. According to the Managing Director of Endeavor Jordan, the absence of a financial relationship with its New York office and the autonomy afforded by an affiliate agreement enable country offices, like that in Jordan, to better strengthen the local network than if a financial relationship existed. The value that the New York office adds is in its extended global network, such as identifying an office or matching an entrepreneur with a mentor somewhere in the world. Also, the New York office offers perks such as attendance at a one-week entrepreneurship program at Harvard University and participation in an annual retreat of more than 300 entrepreneurs.

The Endeavor management team in Amman is comprised of five members. In addition to the Managing Director, two staff members are responsible for marketing and events and an additional two are responsible for entrepreneur selection and growth. These last two staff members work directly with EEs as relationship managers or account officers to ensure that the entrepreneur’s development plan that was established through the international selection panel is implemented, and to meet ongoing needs for training,

mentoring, and tapping Endeavor’s global network. They are also responsible for helping to keep EEs engaged in the services that Endeavor offers and for providing the link to its global network. Currently, Endeavor Jordan supports 16 companies having 24 entrepreneurs with support from 60 mentors and 13 Board members.

### C3. TECHNICAL IMPLEMENTATION

**Endeavor supporters.** The formal Endeavor team in any country in which Endeavor operates is comprised of local office management, Board members, mentors, and advisory boards. Each player is a critical element to the success of EEs, and each plays a specific role (Box 4). Informal team members are those who form part of the formal networks; this combination helps the EE to scale up through customized assistance.

**Box 4. Main supporters of Endeavor entrepreneurs and their roles**

Board members	Board members are high net worth individuals, and typically represent organizations that are willing to invest money and time to sustain Endeavor. They are very proactive in Endeavor and participate in international selection panels outside their home country. This international exposure is attractive to them, as it benefits their own companies and expands their own networks.
Advisory boards	Advisory boards are established for each entrepreneur and are comprised of mentors and board members. At times, mentors are invited from outside the local market or region to participate if a special need arises (e.g., a media specialist from New York or San Francisco). These boards meet every two or three months for approximately two hours and have no governance structure (i.e., they do not make decisions). Rather, their specific tasks are based on the support plan developed by Endeavor and the entrepreneur, and are intended to solve specific challenges and move the entrepreneur forward with his plan. Advisory boards often advise on strategy, a particular business model, people issues, and new market entry. A unique feature of the advisory board is that every two years its composition changes so that there is ‘new blood’ to keep the relationship energized between the entrepreneur and Endeavor.
Mentors	Mentors own their own businesses and are typically well known in the local business community. While the local office usually assigns a mentor to work with an entrepreneur, often an entrepreneur requests a mentor by name. Also, mentors with specialized skills are called upon to solve specific problems (e.g., fundraising). On a monthly basis, an active mentor typically contributes about 20 hours of his time and advises four to five companies a year, all on a volunteer basis. These are high-performance face-to-face hours in addition to other efforts that the mentor makes outside meetings to help an entrepreneur. Also, mentors are members of advisory boards. Mentors interviewed as part of this case study feel that their main role is to help an entrepreneur make the very difficult transition from a small to medium company or a medium to large size company.

**First steps.** As noted above, once an EE is selected, a customized plan is developed and implementation begins immediately according to a schedule. An advisory board is formed typically within one month; as another first step, mentor meetings are scheduled with the new entrepreneur. Entrepreneurs typically schedule summer internships for Master of

Business Administration graduates from top business schools to work at their company, and apply for the assistance of international consultants such as those from the U.S.-based offices of Ernst & Young or Bain & Company whose services are offered free of charge. One entrepreneur stated that within three months of joining Endeavor, the Amman office put him in touch with the European Bank for Reconstruction and Development and is now writing a grant proposal. At the same time, the local office connected this same entrepreneur to a specialized recruiting company to hire a new Chief Financial Officer. Without the help of the local network, valuable time and energy would have been lost.

**Mentor meetings.** Before the first mentor meeting, each EE sends documentation to their mentor for orientation purposes. In the initial meeting, the mentor usually comments on additional dimensions that the company has not yet considered; accordingly, there is a lot of note taking by the entrepreneur. Likewise, the mentor takes notes, which the local Endeavor office usually uses for a risk assessment and to track progress. At the end of discussions, despite having conquered the local and international selection process, Endeavor sends a questionnaire to the mentor asking about the entrepreneur's level of potential for success and whether, in his or her opinion, the business will last a long time. The mentors interviewed as part of this case study spoke highly of their role and the benefits and learning opportunities it provides to both parties. Those mentors consider their participation in Endeavor as strategic – they, too, are creating linkages and networks beginning with their local business community.

## **D. IMPACT**

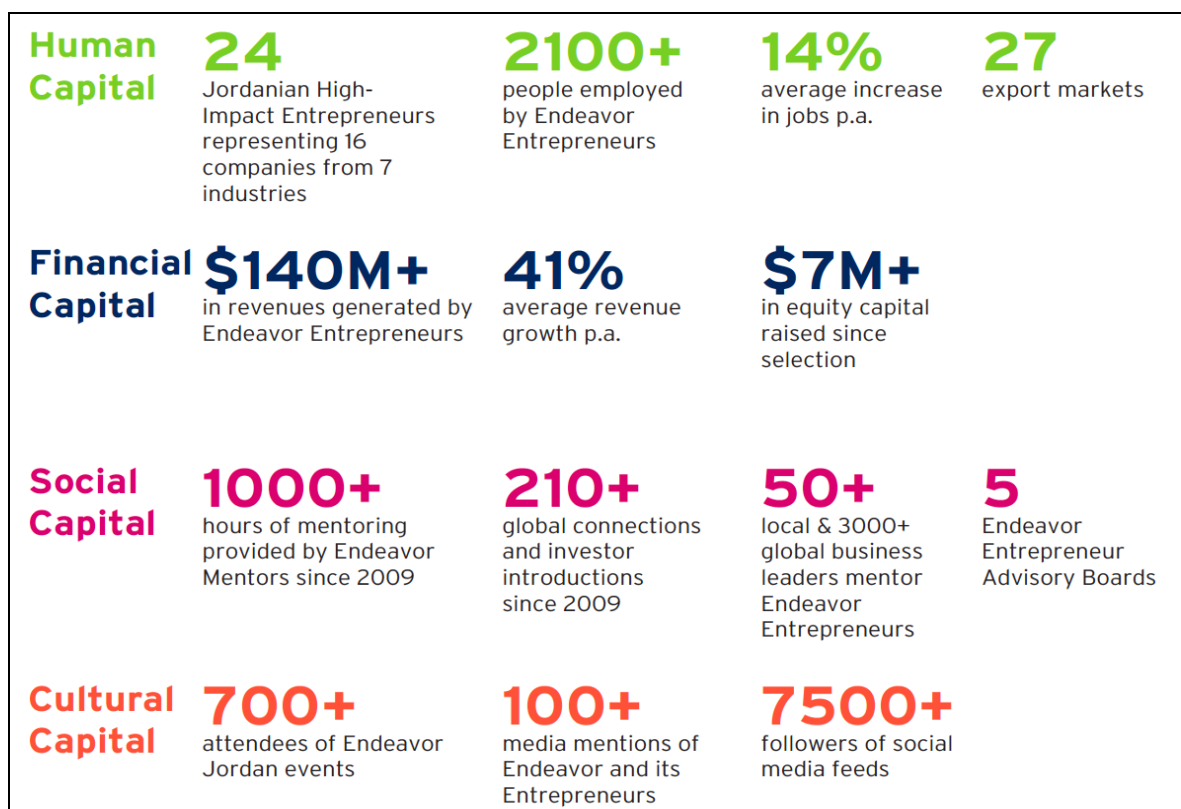
### **D1. IMPACT ON JORDANIAN MARKET**

Endeavor monitors its impact and evaluates its activities at the global and market level in terms of five different types of capital: human, financial, social, intellectual, and cultural. Box 5 shows cumulative results for Jordan since it began tracking its activities in 2009.

**Main metrics.** The two main metrics that Endeavor tracks are the annual increase in jobs and the annual increase in revenue of the Endeavor companies. The quality or type of jobs is not tracked. The New York office measures EE performance by conducting an attitude survey based on data gathered by each country office to test how employees feel about their current job compared with previous ones, including how they are paid compared with previous jobs. Endeavor also uses information on the number of companies that have patents and stock employee options as a way of measuring job satisfaction.

#### **Box 5. Cumulative results of Endeavor Jordan since 2009**





Source: Endeavor Jordan, 2014a.

**Cost of jobs.** Calculating the cost of jobs created for Endeavor Jordan is a challenge because most of the components of the Endeavor network that contribute to job creation are offered free of charge. For example, in Jordan a generous Board member donates office space and another offers health insurance for the five

Endeavor Jordan staff members who are on the payroll. However, at any one time an additional two to three people are working on projects throughout the year and five to six interns join the team in summer, all of whom are excluded from Endeavor Jordan's average annual budget of about \$300,000 to \$350,000. In addition to covering salaries of the core staff, that budget pays for utilities and travel. All events are sponsored. All referrals and time spent by mentors is free of charge. So the Endeavor model is based on very low operating costs.

"It's amazing that we do what we do with such a small budget."

— Rasha Manna, Managing Director, Endeavor Jordan

In addition, Endeavor deliberately selects firms that are already growing and provides support to help accelerate that growth. As such, it is impossible to determine exactly how much EE employment and sales growth is tied directly to Endeavor assistance. However, EEs willingness to pay a monthly fee for Endeavor support suggests that increased EE performance is indeed a result of Endeavor support. When pressed, the Endeavor Jordan Managing Director suggested that the cost of jobs is very difficult to sense and is very subjective — perhaps a job would cost \$2,000 or \$2,500, assuming that 25 percent of job creation is a result of Endeavor's involvement. Table 2 shows the estimated costs creating Endeavor Jordan jobs using the three known parameters; the results are very close to the ballpark figures quoted by Endeavor Jordan management.



**Table 2. Estimated cost of job creation for Endeavor Jordan**

1. Cost/job based just on annual operating budget	
294	New jobs in 2013-14
\$325,000	Average annual operating budget
<b>\$1,105</b>	<b>Cost/job (1)</b>
2. Cost/job based on operating budget and mentoring costs	
20	Average hours of mentor time a month, per company
240	Total yearly hours of mentor time
\$80	Estimated hourly fee
\$19,269	Total annual cost of mentoring time
16	Current number of Endeavor companies
18	Average number of jobs created by each company
\$1,049	Cost of mentoring/job
<b>\$2,154</b>	<b>Cost/job (1+2)</b>
3. Cost/job based on operating budget, mentoring costs, and Board member contributions	
13	Number of Board members
\$15,000	Board member annual contribution
\$195,000	Annual contribution of all Board members
\$663	Contribution to each job
<b>\$2,817</b>	<b>Cost/job (1+2+3)</b>
Note: Estimates are based on information for three known parameters only; because the value of other parameters is unknown (e.g., costs of events, interns and others working in the office), estimates are based on the assumption that 100% of job increases in this example are due to Endeavor.	

## D2. SUSTAINABILITY

Endeavor's objectives in terms of sustainability center on the financial aspects of its offices, the long-term growth of its portfolio of scale-up companies, and the desire to build an entrepreneurial ecosystem around the world.

**Financial sustainability.** All of Endeavor funding comes from private sector donors, Board members, and its entrepreneurs. According to a Jordanian Board member, Endeavor has positioned itself as the 'best of the best' of Jordan's private sector. Coupled with its competitive selection process and the international network that includes Fortune 500 companies, annual fees afford Board members and EE memberships in what they perceive as a prestigious club. In addition, the cachet of being named an EE allows entrepreneurs to wield their title as "a seal of approval" when meeting with potential financiers, customers, or partners (Sahlman, 2010).

**Longevity of EE companies.** Statistics cited in the introduction of this document illustrated that the type of company targeted by Endeavor — scale-ups — may take 15 or 20 years to become successful, yet are disproportionally higher drivers of jobs and growth compared with 'younger' companies in early stages of growth. Endeavor believes that scale-up companies need resources for long-term entrepreneurship and innovation that it can offer most effectively through its network, such as access to capital, mentorship, a local talent pool, and social capital (Endeavor, 2014b). It is dramatically different compared with some popular entrepreneurship programs in Jordan such as Oasis 500, which limits its assistance to the ICT sector and has adopted a 'sink or swim' approach within a 'bootcamp' environment.

**Building an ecosystem.** As entrepreneurs grow in number at the various stages of the entrepreneurial life cycle, many do so because of the culture of entrepreneurship that Endeavor has helped to create. While no statistics exist on the extent of its influence, Endeavor's model assumes that to create real economic change, widely recognized entrepreneurial success stories must exist in a country's culture and consciousness. To that end, Endeavor has managed to help universities around the world write and teach more than 170 case studies showcasing its entrepreneurs, so that entrepreneurship can be promoted and taught in a formal setting (Sahlman, 2010). In addition, members of the Endeavor network often advise governments on policy to promote entrepreneurship, such as one of the mentors interviewed as part of the Endeavor Jordan case study who led that country's National Coalition on Entrepreneurship (and, by the way, was a former Chief of Party for a USAID-funded economic growth project). Others try to influence the enabling environment, which many private sector leaders are realizing is a very slow process. Through its efforts made at many different angles, in effect Endeavor is helping to build an entrepreneurial ecosystem in Jordan and around the globe. They believe that they are already becoming a local force in the entrepreneurship playing field and that gradually they will become a thought leader.

## **E. KEY FINDINGS AND LESSONS LEARNED**

**Global network is highly valuable.** The value of business resources offered through Endeavor's global market was mentioned in nearly every conversation that took place as part of this case study as a key to the success of Endeavor and its entrepreneurs. Likewise, this global network is a dominant theme in all of Endeavor's websites, annual reports, and other publicly-available documentation. The international network is particularly helpful for EEs located in emerging markets who often feel isolated from key sources that could help to solve challenges and also from those EEs having a limited set of tools to reach potential customers and partners.

To have access to an extended global network at one's disposal is a huge benefit. In fact, it is a characteristic that differentiates Endeavor from other non-profit organizations involved in entrepreneurship. However, Jordanian EEs apparently do not access the global network very often — only 5 to 10 percent of requests require global access. Typically the global network is tapped when local mentors do not have the expertise in a particular subject (e.g, fundraising for an ICT event). However, when they do ask for support, the response is quick and effective because the value of a connection to a global network is worth several connections locally. Additionally, Endeavor's global network provides a certain level of comfort, power, and credibility for the organization and reportedly, entrepreneurs typically are happy with the network and the way it is accessed (through the local Amman office).

**Multiplier effect can be created through a local network.** Another one of Endeavor's key success factors is the ability to engage local entrepreneurs so that initially they avoid requesting support from outside the local Endeavor network; as a result, they strengthen local connections and build an easily accessible network. This approach forces local people to own their own challenge and allows for replication around the world. The lengthy selection process, beginning at the local level, tests the willingness of the entrepreneur to give back to his local community. This assumption is validated at the international selection process, provided that an entrepreneur advances to that stage.

**Box 6. Alissar – Once a small flower Shop in Amman; now an international growing success**

Alissar ([www.alissarflowers.com](http://www.alissarflowers.com)) started as a simple retail flower shop in Amman owned by the parents of a family and as the main source of family income. Now a second generation family-owned and operated business, its three siblings recently became Endeavor Entrepreneurs. Now they offer corporate, hotel, and wedding services in addition to retail sales, and work in several countries in the Middle East with a team of at least 13 different nationalities. Plans to open online services are underway that will create additional employment. With the help of Endeavor, Alissar was able to close down certain activities and redirect their efforts elsewhere. They were also able to start tackling family succession and supply chain issues with the help of a leading pharmaceutical company in Jordan that is also family-owned and operated throughout the region, and whose head acted as a mentor to Alissar.

"Five or six months ago, solving these types of problems was nearly impossible. Today, we are confident to make good decisions that are no longer impossible to make."

– Charif Mzayek, CEO, Alissar

**Flexibility allows many sectors to benefit.** Endeavor is sector-agnostic, which reportedly has made a great difference in terms of identifying potential entrepreneurs and companies, one of the greatest challenges from an operational point of view. During the early years in Jordan, for example, Endeavor focused on the ICT sector. However, once it realized that food and beverage companies typically employ on average 200 or more people, versus about 20 people for ICT companies, it widened its scope to that other sector. Likewise, Endeavor Jordan is starting to identify manufacturing companies as a type of company with potential significant revenue and job creation. However, Endeavor Jordan is not stopping at the sector level. Recently, it discovered that family-owned businesses that are starting to move to a second generation offer unlimited potential not only in Jordan but also across the region. Alissar, a floral company interviewed as part of this case study, was one such company and a fairly new EE (Box 6).

**Keeping Board members and mentors engaged.** A successful way to keep Board members and mentors engaged is through awards that are recognized at an annual event. Endeavor offers an award to recognize those Board members who are most engaged on advisory boards and who refer the greatest number of entrepreneurs to Endeavor. In addition, selecting Board members and mentors with an inherent business incentive to support Endeavor activities — e.g. venture capitalists who could invest in the firm — increases the level of engagement and quality of support to EEs. Yet engagement is a particular challenge for mentors; many do not know what happens to an EE once they complete their mentorship cycle.

**Absence of a strong respected culture of entrepreneurship in countries like Jordan is a challenge.** During the last several years, the pre-conceived notion that it is difficult to start up a business has been shattered, especially in countries like Jordan where a potential business owner can access multiple sources of assistance at the beginning of the life of a business. However, the challenge of most programs is to focus on start-ups and companies that possess significant growth potential and can grow exponentially with customized services. In turn, this approach will help to create a mindset of entrepreneurship rather than simply increase the number of companies registered.

**Endeavor is not without criticism and is not for everyone.** Because Endeavor only works with scale-up companies, in reality it does not ‘get its hands dirty’ with the slow and painful aspects of the human side of entrepreneurship, as one mentor noted who was interviewed as part of the Jordan case study. One can also question whether EEs would succeed without the help of Endeavor; Endeavor selects firms that are expected to grow regardless of Endeavor support. However, EEs featured throughout the Jordan case study and EEs willingness to pay for Endeavor support indicates otherwise. For critics of this model, the Endeavor approach does not focus on helping to create an entrepreneurship mindset from scratch; for proponents, Endeavor pushes economic growth forward through assured generation of revenues and jobs.

## F. PREREQUISITES FOR REPLICATION

Endeavor’s niche and its success are based on the type of company it supports: scale-ups. As noted throughout this report, these companies have progressed beyond the start-up phase. They are implementing business plans, have a pool of clients, and have recorded 20 percent or more average annual growth over a three-year period. Endeavor works in four key areas, all of which are based on the companies it chooses: (i) it makes its companies more ‘investable’ than without its help, thereby increasing the so-called comfort factor (*viz.*, the ability to attract venture capital); (ii) it pairs companies with mentors who are well-known successful business persons in the community and who offer wisdom, expertise, and inspiration; (iii) it creates a network of entrepreneurs across all the countries in which Endeavor operates so they will push themselves forward; and (iv) it taps a global network to increase its exposure.

“Endeavor will equalize the playing field for high-quality entrepreneurs. I see Endeavor as the largest and most successful venture firm in the world without being an actual investor. I see cross-pollination and fertilization around the world that moves the needle on quality of jobs and employability.”

— *Emile Cubeisy,*  
*Endeavor Jordan Mentor*

Keys to success in replication in other MENA countries like Egypt and Turkey were considered before establishing Endeavor Jordan, as follows.

- Countries are fully independent yet have access to a global network that allows them in turn to create a global footprint. When trying to identify a country in which to expand, Endeavor pinpoints a champion who is one of most credible business people in the community and who can singularly channel another top 10 to 15 people to support Endeavor. According to those interviewed as part of this study, ‘the right partner is everything’.

- Global network plays an active role in recruitment, so help in expanding this network through Board members is key.
- Hiring must be aggressive, particularly the hiring of Endeavor's in-country Managing Director, who serves as the local face of the organization.
- Offices must be financially self-sustaining.
- Endeavor is not a 'one-size fits all' approach, but a country-by-country one; as such, it must have the desire and ability to strengthen the local environment.
- The local chair of Board of Directors incubates Endeavor himself; accordingly, he has a lot on the line in terms of personal credibility.
- Endeavor allows creativity at local level and looks for this desire when scoping out a new market. For example, Endeavor Turkey developed its own angel investor curricula.

**USAID Support to Endeavor.** To date, Endeavor Jordan has not worked directly with USAID/Jordan with the exception of USAID sponsorship for an annual entrepreneur matchmaking event. In recent months Endeavor Jordan and USAID have started to discuss how to have a more structured relationship together. For example, USAID/Jordan is rolling out its 'Investment Readiness' project to help entrepreneurs scale up, an activity that is aligned with Endeavor activities. Endeavor complements programs funded by USAID and other donors. It is a platform for building partnerships with existing programs, such as the Jordan Competitiveness Project (JCP), which focuses on sectors and with whom Endeavor Jordan is working on a training program for angel investors, similar to the one created by Endeavor Turkey. Often project team members turn to Endeavor for advice, given that Endeavor has the organizational maturity that USAID programs lack because of their comparative short time frame for implementation.

Other USAID missions in the Middle East could support Endeavor activities or apply the successes of Endeavor in the following ways:

1. Develop entrepreneurship technical assistance programs that (1) select mid-stage and mature firms that have demonstrated significant growth potential, ensuring USAID funding creates as many jobs as possible; (2) cost-share assistance with beneficiary firms, giving those firms a financial incentive to use assistance in the most effective manner possible; and (3) leverage the involvement of business leaders and investors ensure assistance is cost-effective and grounded in the realities of the local business environment.
2. Support Endeavor in a limited capacity by, for example, co-sponsoring events or helping a local Endeavor office launch initial activities. Interviews with Endeavor leadership suggest that the organization's success is partly tied to its ability to act independently and, therefore, Endeavor would be unlikely to accept a substantial amount of funding from any donor.

3. Facilitate cooperation between Endeavor and other USAID programs. USAID could sponsor events or other communications campaigns to communicate Endeavor Entrepreneurs' success to potential entrepreneurs. For USAID missions with workforce development programs, the Endeavor network could potentially act as a resource for internships. Of course, given the independent nature of Endeavor country offices, specific arrangements would need to be negotiated on a country-by-country basis.

# REFERENCES

- Al-Qasem, L. (2013). *Challenges faced by SME owners and entrepreneurs*. [PowerPoint slides.]
- Al-Qasem, L. (undated). *National Entrepreneurship Coalition*. [PowerPoint slides.]
- Department of Statistics. (DOS, 2013). *Statistical yearbook*. Retrieved from [http://www.dos.gov.jo/dos\\_home\\_a/main/yearbook\\_2013.pdf](http://www.dos.gov.jo/dos_home_a/main/yearbook_2013.pdf)
- Endeavor. (2013a). *The first thing you need to know about entrepreneurship ecosystems*. Retrieved from <http://www.ecosystems.insights.org>
- Endeavor. (2013b). *Endeavor impact report 2012-2013*. Retrieved from [www.endeavor.org](http://www.endeavor.org)
- Endeavor. (2014a). *Endeavor Jordan in brief 2013-2014*. Retrieved from [www.endeavorjordan.org](http://www.endeavorjordan.org)
- Endeavor. (2014b). *Multiplying impact: Amman's high-growth ICT Industry*. Retrieved from [www.endeavorjordan.org](http://www.endeavorjordan.org)
- Endeavor. (2015). *The critical 9 percent: why scaleup companies are vital for job creation in Jordan*. Retrieved from <http://issuu.com/endeavorglobal1>
- Ministry of Planning and International Cooperation. (MOPIC, 2011). *National employment strategy of 2011-2020*. Retrieved from [http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/meetingdocument/wcms\\_313611.pdf](http://www.ilo.org/wcmsp5/groups/public/---arabstates/---ro-beirut/documents/meetingdocument/wcms_313611.pdf)
- Ministry of Planning and International Cooperation (MOPIC, 2014). *The Economic and social blueprint 2025*. [PowerPoint slides.]
- Sahlman, W.A. (2010). *Endeavor: creating a global movement for high-impact entrepreneurship*. Harvard Business Review, November. Retrieved from [www.hbr.org](http://www.hbr.org)
- World Bank. (2013). *Enterprise surveys: Jordan country profile 2013*. Retrieved from <http://www.enterprisesurveys.org/data/exploreconomies/2013/jordan>
- World Bank. (January, 2015). *Global Economic Prospects*. Chapter 2: Middle East & North Africa Retrieved from [http://www.worldbank.org/content/dam/Worldbank/GEP/GEP2015a/pdfs/GEP2015a\\_chapter2\\_regionaloutlook\\_MENA.pdf](http://www.worldbank.org/content/dam/Worldbank/GEP/GEP2015a/pdfs/GEP2015a_chapter2_regionaloutlook_MENA.pdf)

**U.S. Agency for International Development**

1300 Pennsylvania Avenue, NW

Washington, DC 20523

Tel: (202) 712-0000

Fax: (202) 216-3524

**[www.usaid.gov](http://www.usaid.gov)**